

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:) Case No. 01-1139 (JKF)
) Chapter 11
W.R. GRACE, et al.,)
) Bankruptcy Courtroom No. 2
) 824 Market Street
Debtors.) Wilmington, Delaware 19801
)
) September 23, 2002
) 10:12 A.M.

TRANSCRIPT OF OMNIBUS HEARING
BEFORE HONORABLE JUDITH K. FITZGERALD
UNITED STATES BANKRUPTCY JUDGE

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1 MR. WESTBROOK: Your Honor, as neutral as we could
2 probably make it, since we're in the property damage context,
3 we're trying to find out what science will tell us about Z.A.I.
4 in that context.

5 And, again, I come back to the fact that Grace
6 continues to try to push the case to a quasi personal injury
7 claim. And in our view, most respectfully, Your Honor, that's
8 not what the case is about in the property damage context.
9 I've tried for 20 years property damage cases and the issue is
10 the building, is the building contaminated. Contaminated, yes,
11 with a hazardous material. But we don't have to show in our
12 view that there's going to be some percentage of people getting
13 sick from it, that there's some particular emergency hazard to
14 evacuate the building. That's why I've been somewhat
15 persistent and hopefully not nauseating about this, Your Honor,
16 that we not get foreclosed at the outset from proving and from
17 getting to the pretrial conference to present the issues as we
18 want them presented.

19 THE COURT: Well, I think you both are probably
20 correct. Number one, yes, you're going to have to show me
21 that there is some hazardous contamination. Now, what makes it
22 hazardous? The fact is that it's going to either be hazardous
23 to the environment or to the people who live in the home or
24 something. There has to be a hazard. If there is no hazard,
25 there is no claim.

1 And as I understood what has taken place, not by way
2 of evidence, just by discussion here, the contention is that
3 attic insulation is hazardous because if it's disturbed, people
4 breathe it, and when they breathe it, there is a likelihood
5 that they could ingest an asbestos fiber which could cause a
6 disease. Not that it's hazardous just because it's sitting in
7 an attic, but because somebody is going to be eventually
8 injured by virtue of the fact that it's in their home.

9 So, the contamination may have to be remediated
10 somehow in order to eliminate that hazard. But you have to, I
11 think, show me that there is a way that there is going to be
12 asbestos fibers that are somehow going to pose a hazard to
13 somebody or else it's not going to be hazard. Right?

14 MR. WESTBROOK: I hear what you're saying, Your
15 Honor. I think we will be able to show that asbestos fibers
16 are certainly hazardous.

17 My suggestion, Your Honor, is you say we reach a
18 consensus on this. We're moving ahead with discovery. I don't
19 think the debate over the phrasing of this paragraph is holding
20 up the discovery. So, we have our position reserved, Grace has
21 its position reserved. The Court's language will be the
22 Court's language. It won't stop us from moving ahead
23 obviously.

24 MS. BAER: Your Honor, I agree. And I think you've
25 heard more than enough on this one and we look forward to